



April 6, 2001

ENGROSSED HOUSE BILL No. 2102

DIGEST OF HB 2102 (Updated April 4, 2001 3:18 PM - DI 71)

Citations Affected: IC 20-5.5; IC 20-6.1; IC 20-7.5; IC 20-10.2; noncode.

Synopsis: Charter schools. Allows a sponsor to issue a charter to an organizer to establish a charter school. Defines a "sponsor" as: (1) the governing body of a school corporation; (2) a state higher education institution; or (3) the mayor of Indianapolis or Ft. Wayne. Sets forth the organization, powers, method of establishment, charter contents, policies, oversight, and restrictions for charter schools. Provides that a decision concerning the establishment of a charter school may not be restrained by a collective bargaining agreement. Allows the employees of a charter school to organize and collectively bargain. Requires 100% of the teachers in a charter school to either hold a license to teach in a public school or be in the process of obtaining a license through the transition to teaching program. Provides that if a school corporation eliminates a teaching position in a noncharter school because of a charter school, the legal or contractual provisions, if any, otherwise applicable to the teacher whose contract is canceled, continue to apply to that teacher. Allows the conversion of an existing public school to a charter school if at least 51% of the teachers and 51% of the parents approve of the conversion. Provides that only the governing body of the school corporation in which a conversion charter school is located may act as sponsor for the school. Establishes the transition to teaching program. Makes conforming amendments to related statutes.

Effective: Upon passage; July 1, 2001; July 1, 2002.

Porter, Behning

(SENATE SPONSORS — LUBBERS, BREAUX)

January 17, 2001, read first time and referred to Committee on Education.
February 14, 2001, amended, reported — Do Pass.
February 26, 2001, read second time, ordered engrossed.
February 27, 2001, engrossed.
March 6, 2001, read third time, passed. Yeas 52, nays 46.

SENATE ACTION

March 13, 2001, read first time and referred to Committee on Education.
April 5, 2001, amended, reported favorably — Do Pass.

EH 2102—LS 7856/DI 71+



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April 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

ENGROSSED HOUSE BILL No. 2102

A BILL FOR AN ACT to amend the Indiana code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:
4 **ARTICLE 5.5. CHARTER SCHOOLS**
5 **Chapter 1. Definitions**
6 **Sec. 1. The definitions in this chapter apply throughout this**
7 **article.**
8 **Sec. 2. "At-risk index" has the meaning set forth in**
9 **IC 21-3-1.8-1.1.**
10 **Sec. 3. "Board" refers to the Indiana state board of education**
11 **established by IC 20-1-1-1.**
12 **Sec. 4. "Charter" means a contract between an organizer and**
13 **a sponsor for the establishment of a charter school.**
14 **Sec. 5. "Charter school" means a public elementary school or**
15 **secondary school established under this article that:**
16 **(1) is nonsectarian and nonreligious; and**
17 **(2) operates under a charter.**

EH 2102—LS 7856/DI 71+



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1 Sec. 6. "Department" refers to the department of education
2 established by IC 20-1-1.1-2.

3 Sec. 7. "Elementary school" has the meaning set forth in
4 IC 20-10.1-1-15.

5 Sec. 8. "Governing body" has the meaning set forth in
6 IC 20-10.1-1-5.

7 Sec. 9. "Organizer" means a group or an entity that enters into
8 a contract under this article to operate a charter school.

9 Sec. 10. "Parent" has the meaning set forth in IC 20-1-1.8-8.

10 Sec. 11. "Proposal" refers to a proposal from an organizer to
11 establish a charter school.

12 Sec. 12. "Public school" has the meaning set forth in
13 IC 20-10.1-1-2.

14 Sec. 13. "School corporation" has the meaning set forth in
15 IC 20-10.1-1-1.

16 Sec. 14. "Secondary school" refers to a high school (as defined
17 in IC 20-10.1-1-16).

18 Sec. 15. "Sponsor" means one (1) of the following:

19 (1) For a charter school, a governing body.

20 (2) A state educational institution (as defined in
21 IC 20-12-0.5-1).

22 (3) The executive (as defined in IC 36-1-2-5) of a consolidated
23 city.

24 (4) The executive (as defined in IC 36-1-2-5) of a municipality
25 having a population of more than one hundred fifty thousand
26 (150,000) but less than five hundred thousand (500,000).

27 Sec. 16. "Teacher" has the meaning set forth in IC 20-6.1-1-8.

28 Chapter 2. Description

29 Sec. 1. A charter school may be established under this article to
30 provide innovative and autonomous programs that do the
31 following:

32 (1) Serve the different learning styles and needs of public
33 school students to better meet the needs of public school
34 students.

35 (2) Offer public school students appropriate and innovative
36 choices that have the potential to be replicated in other public
37 schools.

38 (3) Afford varied opportunities for professional educators.

39 (4) Allow public schools freedom and flexibility in exchange
40 for exceptional levels of accountability.

41 (5) Provide parents, students, community members, and local
42 entities with an expanded opportunity for involvement in the

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public school system.

Sec. 2. A charter school is subject to all federal and state laws and constitutional provisions that prohibit discrimination on the basis of the following:

- (1) Disability.**
- (2) Race.**
- (3) Color.**
- (4) Gender.**
- (5) National origin.**
- (6) Religion.**
- (7) Ancestry.**

Chapter 3. Establishment

Sec. 1. A sponsor may grant a charter to an organizer to operate a charter school under this article.

Sec. 2. A sponsor may not grant a charter to a for profit organizer.

Sec. 3. (a) An organizer shall submit to the sponsor a proposal to establish a charter school.

(b) A proposal must contain at least the following information:

- (1) Identification of the organizer.**
- (2) A description of the organizer's organizational structure and governance plan.**
- (3) The following information for the proposed charter school:**
 - (A) Name.**
 - (B) Purposes.**
 - (C) Governance structure. The governing body must include the following members:**
 - (i) Teachers who will teach in the proposed charter school.**
 - (ii) A representative of the school employee organization (as defined in IC 20-7.5-1-2(k)) that will represent employees in the proposed charter school, if applicable.**
 - (iii) Parents of students who will attend the proposed charter school.**
 - (iv) Taxpayers who reside in the sponsoring school corporation.**
 - (D) Management structure.**
 - (E) Educational mission goals.**
 - (F) Curriculum and instructional methods.**
 - (G) Methods of pupil assessment.**
 - (H) Admission policy and criteria, subject to IC 20-5.5-5.**



- 1 (I) School calendar.
- 2 (J) Age or grade range of pupils to be enrolled.
- 3 (K) A description of staff responsibilities.
- 4 (L) A description and the address of the physical plant.
- 5 (M) Budget and financial plans.
- 6 (N) Personnel plan, including methods for selection,
- 7 retention, and compensation of employees.
- 8 (O) Transportation plan.
- 9 (P) Discipline program.
- 10 (Q) Plan for compliance with any applicable desegregation
- 11 order.
- 12 (R) The date when the charter school is expected to:
- 13 (i) begin school operations; and
- 14 (ii) have students in attendance at the charter school.
- 15 (S) The arrangement for providing teachers and other staff
- 16 with health insurance, retirement benefits, liability
- 17 insurance, and other benefits.
- 18 (4) The manner in which an annual audit of the program
- 19 operations of the charter school is to be conducted by the
- 20 sponsor.

21 Sec. 4. This section applies only to a sponsor that is the executive
 22 of a consolidated city or a municipality having a population of
 23 more than one hundred fifty thousand (150,000) but less than five
 24 hundred thousand (500,000). Before issuing a charter, the sponsor
 25 must receive the approval of a majority of the members of the
 26 legislative body (as defined in IC 36-1-2-9) of the consolidated city
 27 or municipality for the establishment of a charter school. The
 28 sponsor may issue charters for charter schools in any school
 29 corporation that is located within the consolidated city or
 30 municipality.

31 Sec. 5. (a) Except as provided in subsection (b), if a governing
 32 body grants a charter to establish a charter school, the governing
 33 body must provide a noncharter school that students of the same
 34 ages or grade levels may attend.

35 (b) The department may waive the requirement that a
 36 governing body provide a noncharter school under subsection (a)
 37 upon the request of the governing body.

38 Sec. 6. The sponsor may revoke the charter of a charter school
 39 that does not, by the date specified in the charter:

- 40 (1) begin school operations; and
- 41 (2) have students in attendance at the charter school.

42 Sec. 7. Before granting a charter under which more than fifty

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percent (50%) of the students in the school corporation will attend a charter school, a governing body must receive the approval of the department.

Sec. 8. A sponsor must notify an organizer who submits a proposal under section 3 of this chapter of:

- (1) the acceptance of the proposal; or
- (2) the rejection of the proposal;

not later than sixty (60) days after the organizer submits the proposal.

Sec. 9. (a) A sponsor must notify the department of the following:

- (1) The receipt of a proposal.
- (2) The acceptance of a proposal.
- (3) The rejection of a proposal, including the reasons for the rejection, the number of members of the governing body favoring the proposal, and the number of members of the governing body not favoring the proposal.

(b) The department shall annually do the following:

- (1) Compile the information received under subsection (a) into a report.
- (2) Submit the report to the legislative council.

Sec. 10. If a sponsor rejects a charter school proposal, the organizer may:

- (1) amend the charter school proposal and resubmit the proposal to the same sponsor; or
- (2) submit a charter school proposal to another sponsor.

Sec. 11. A school that has qualified for a strategic and continuous school improvement and achievement plan under IC 20-1-1-6.3 may revise its qualification plan for submission under this chapter as a charter school proposal.

Chapter 4. The Charter

Sec. 1. A charter must do the following:

- (1) Be a written instrument.
- (2) Be executed by a sponsor and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for:
 - (A) not less than three (3) years; and
 - (B) a fixed number of years agreed to by the sponsor.
- (6) Provide for:
 - (A) a review by the sponsor of the charter school's



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- 1 performance, including the progress of the charter school
- 2 in achieving the academic goals set forth in the charter, at
- 3 least one (1) time in each five (5) year period while the
- 4 charter is in effect; and
- 5 (B) renewal, if the sponsor and the organizer agree to
- 6 renew the charter.
- 7 (7) Specify the grounds for the sponsor to:
- 8 (A) revoke the charter before the end of the term for which
- 9 the charter is granted; or
- 10 (B) not renew a charter.
- 11 (8) Set forth the methods by which the charter school is held
- 12 accountable for achieving the educational mission and goals
- 13 of the charter school, including the following:
- 14 (A) Evidence of improvement in assessment measures,
- 15 attendance rates, and graduation rates (if appropriate),
- 16 and increased numbers of academic honors diplomas.
- 17 (B) Evidence of progress toward reaching the educational
- 18 goals set by the organizer.
- 19 (9) Describe the method to be used to monitor the charter
- 20 school's:
- 21 (A) compliance with applicable law; and
- 22 (B) performance in meeting targeted educational
- 23 performance.
- 24 (10) Specify that the sponsor and the organizer may amend
- 25 the charter during the term of the charter by mutual consent
- 26 and describe the process for amending the charter.
- 27 (11) Describe specific operating requirements, including all of
- 28 the matters set forth in the application for the charter.
- 29 (12) Specify a date when the charter school will:
- 30 (A) begin school operations; and
- 31 (B) have students in attendance at the charter school.
- 32 (13) Specify that records of a charter school relating to the
- 33 school's operation and charter are subject to inspection and
- 34 copying to the same extent that records of a public school are
- 35 subject to inspection and copying under IC 5-14-3.
- 36 (14) Specify that records provided by the charter school to the
- 37 department or sponsor that relate to compliance by the
- 38 operator with the terms of the charter or applicable state or
- 39 federal laws are subject to inspection and copying in
- 40 accordance with IC 5-14-3.
- 41 (15) Specify that the charter school is subject to the
- 42 requirements of IC 5-14-1.5.

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Chapter 5. Student Admissions and Enrollment

Sec. 1. Except as provided in this chapter, a charter school must be open to any student who resides in Indiana.

Sec. 2. Except as provided in this chapter, a charter school may not establish admission policies or limit student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.

Sec. 3. (a) Except as provided in subsections (b), (c), and (d), a charter school must enroll any eligible student who submits a timely application for enrollment.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission.

(c) A charter school may limit new admissions to the charter school to:

(1) ensure that a student who attends the charter school during a school year may continue to attend the charter school in subsequent years; and

(2) allow the siblings of a student who attends a charter school to attend the charter school.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-5.5-11. During the school year in which the existing school converts to a charter school, the charter school may limit admissions to:

(1) those students who were enrolled in the charter school on the date of the conversion; and

(2) siblings of students described in subdivision (1).

Chapter 6. Employment

Sec. 1. Individuals who work at a charter school are employees of the charter school or of an entity with which the charter school has contracted to provide services, including instructional services.

Sec. 2. Individuals must choose to be teachers at a charter school voluntarily, and a charter school shall voluntarily choose such individuals to be its teachers.

Sec. 3. Employees of a charter school may organize and bargain collectively under IC 20-7.5.

Sec. 4. (a) An individual who teaches in a charter school must either:

(1) hold a license to teach in a public school in Indiana under



1 IC 20-6.1-3; or

2 (2) be in the process of obtaining a license to teach in a public
3 school in Indiana under the transition to teaching program set
4 forth in IC 20-6.1-3-11.

5 (b) An individual described in subsection (a)(2) must complete
6 the transition to teaching program not later than three (3) years
7 after beginning to teach at a charter school.

8 (c) An individual who provides a service to students in a charter
9 school:

10 (1) that is not teaching; and

11 (2) for which a license is required under Indiana law;

12 must have the appropriate license to provide the service in Indiana.

13 Sec. 5. A charter school may employ a substitute teacher or an
14 individual who holds a limited license to teach in the same manner
15 in which a noncharter public school may employ a substitute
16 teacher or an individual who holds a limited license to teach.

17 Sec. 6. (a) A charter school shall participate in the following:

18 (1) The Indiana state teachers' retirement fund in accordance
19 with IC 21-6.1.

20 (2) The public employees' retirement fund in accordance with
21 IC 5-10.3.

22 (b) A person who teaches in a charter school is a member of the
23 Indiana state teachers' retirement fund. Service in a charter school
24 is creditable service for purposes of IC 21-6.1.

25 (c) A person who:

26 (1) is a local school employee of a charter school; and

27 (2) is not eligible to participate in the Indiana state teachers'
28 retirement fund;

29 is a member of the public employees' retirement fund.

30 (d) The boards of the Indiana state teachers' retirement fund
31 and the public employees' retirement fund shall implement this
32 section through the organizer of the charter school, subject to and
33 conditioned upon receiving any approvals either board considers
34 appropriate from the Internal Revenue Service and the United
35 States Department of Labor.

36 Sec. 7. The decision by a sponsor of whether to grant a charter
37 shall not be subject to restraint by the collective bargaining
38 agreement.

39 Sec. 8. As a school corporation grants a charter to a charter
40 school and individuals choose and are chosen by the charter school
41 to teach in the charter school, the school corporation may make
42 personnel adjustments among its noncharter school teachers that

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the school corporation believes are necessary or appropriate to match existing resources with existing needs in its noncharter schools. If, as part of such adjustments, the school corporation eliminates a teaching position within the corporation, the legal or contractual provisions, if any, otherwise applicable to the teacher in one (1) of its noncharter schools whose contract with the school corporation is canceled as a result of the elimination of the position within the school corporation, continue to apply to that teacher.

Sec. 9. (a) The governing body:

- (1) must grant a transfer of not more than five (5) years; and
- (2) may grant a transfer for a period of time in addition to the period required under subdivision (1);

to a teacher of a noncharter school in the school corporation who wishes to teach and has been accepted to teach at a charter school sponsored by the governing body within the school corporation.

(b) During the term of a transfer under subsection (a):

- (1) the teacher's seniority status under law continues as if the teacher were an employee of a noncharter school in the school corporation; and
- (2) the teacher's years as a charter school employee shall not be considered for purposes of permanent or semipermanent status with the school corporation under IC 20-6.1-4.

Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and
- (2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. (a) Not more than thirty (30) days before an organizer begins charter school operations, the department shall make a loan from the common school fund to the organizer in an amount equal to the operating costs of the charter school for the initial six (6) months of the school year in which the charter school will begin operations, as determined by the budget and financial plans submitted to the sponsor. The amount distributed under this subsection shall be:

- (1) treated as the working capital of the organizer; and
- (2) repaid to the department in equal installments, without interest, beginning six (6) months after the charter school begins operations and ending:



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(A) three (3) years after the charter is granted;

(B) on the date set by the department; or

(C) when the charter is revoked;

whichever is the latest.

An installment payment to the department may be deducted from distributions made by the department to the charter school under subsection (d).

(b) Not later than seven (7) days before the date established by the department for reporting student data to the department, the organizer shall submit to a governing body relevant information concerning students enrolled in the charter school who have legal settlement in the governing body's school corporation. The governing body shall:

(1) submit the information received under this subsection to the department; and

(2) indicate whether the charter school is entitled to receive additional funding under subsection (d) for any students enrolled in the charter school.

(c) This subsection does not apply to revenues and distributions that, under a law or an agreement with the entity providing funding, must be deposited in any of the following funds:

(1) Capital projects fund.

(2) Debt service fund.

A governing body shall distribute to a charter school a distributive share of tax revenues received by the sponsor for noncapital expenditures. The schedule under which distributions are made under this subsection shall be established in the charter.

(d) For money received by a governing body on the basis of a formula that uses a student count, including but not limited to:

(1) average daily attendance;

(2) average daily membership;

(3) average daily membership as adjusted by an at-risk index or other factors;

(4) additional pupil count;

(5) eligible pupils;

(6) number of special education preschool children; or

(7) any other state funding that a student may be qualified to receive;

the department shall determine the distributive share of a charter school by calculating the amount of funding that would be available under the formula if the student count of the charter school rather than the total student count of the school

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corporations in which the students have legal settlement were used.

(e) This subsection does not apply to money received by a governing body to facilitate the governing body's compliance with a desegregation order issued by a court. For money:

(1) that is received by a governing body for participation in a program or delivery of services; and

(2) that is not reimbursed on the basis of a student count;

the department shall reimburse the charter school for programs or services provided using the program or service reimbursement rate applicable to the program or services.

(f) The organizer shall provide a governing body with the necessary information for the governing body to report to the department to make distributions under this section. The department may adopt guidelines for the implementation of this section in order to assure equivalent funding for students of charter schools and school corporations. If a charter school is organized after the date set for the determination of a student count used to make a distribution, the student count of the charter school shall be determined under guidelines established by the department.

Sec. 3. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services. However, when a student who attends a charter school resides along the regular route of a school bus, the governing body shall provide transportation for the student on the school bus:

(1) from the student's home or some point on the regular route nearest or most easily accessible to the student's home; and

(2) to and from the charter school, or to and from the point on the regular route that is nearest or most easily accessible to the charter school.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-5.5-1-15(2). A state educational institution shall receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives under section 2 of this chapter.

Sec. 4. An organizer may apply for and accept for a charter school:

(1) independent financial grants; or

(2) funds from public or private sources other than the

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department.

Sec. 5. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school.

Chapter 8. Powers and Exemptions

Sec. 1. A charter school may do the following:

- (1) Sue and be sued in its own name.
- (2) For educational purposes, acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest.
- (3) Convey property.
- (4) Enter into contracts in its own name, including contracts for services.

Sec. 2. A charter school may not do the following:

- (1) Operate at a site or for grades other than as specified in the charter.
- (2) Charge tuition to any student residing within the school corporation's geographic boundaries. However, a charter school may:
 - (A) charge tuition for a preschool program, unless charging tuition for the preschool program is barred under federal law; or
 - (B) charge tuition for a latch key program; if the charter school provides those programs.
- (3) Except for a foreign exchange student who is not a United States citizen, enroll a pupil who is not a resident of Indiana.
- (4) Be located in a private residence.
- (5) Provide home based instruction.

Sec. 3. For each charter school established under this article, the charter school and the organizer are accountable to the sponsor for ensuring compliance with:

- (1) applicable federal and state laws;
- (2) the charter; and
- (3) the Constitution of the State of Indiana.

Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this chapter, the following do not apply to a charter school:

- (1) Any Indiana statute applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the Indiana state board of education.



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(3) A rule or guideline adopted by the professional standards board (established by IC 20-1-1.4-2), except for those rules that assist a teacher in gaining or renewing a standard or an advanced license.

(4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.

Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

(1) IC 5-11-1-9 (requiring audit by state board of accounts).

(2) IC 20-1-1.5 (unified accounting system).

(3) IC 20-1-6 (special education).

(4) IC 20-5-2-3 (subject to laws requiring regulation by state agencies).

(5) IC 20-6.1-6-11 (nondiscrimination for teacher marital status).

(6) IC 20-6.1-6-13 (teacher freedom of association).

(7) IC 20-6.1-6-15 (school counselor immunity).

(8) IC 20-8.1-3 (compulsory school attendance).

(9) IC 20-8.1-5.1-13, IC 20-8.1-5.1-15, and IC 20-8.1-5.1-15.5 (student due process and judicial review).

(10) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).

(11) IC 20-8.1-9-3 (exemption from school fees for eligible families and fee reimbursement).

(12) IC 20-8.1-9-6 (notice to parents concerning financial assistance).

(13) IC 20-8.1-12 (reporting of student violations of law).

(14) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic commemorative observances).

(15) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs).

(16) IC 20-10.1-22.4 (parental access to education records).

(17) IC 20-10.2 (accountability for school performance and improvement).

Chapter 9. Oversight and Revocation

Sec. 1. An organizer that has established a charter school shall submit an annual report to the department for informational and research purposes.

Sec. 2. An annual report under this chapter must contain the following information for a charter school:

(1) Results of all standardized testing.



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(2) A description of the educational methods and teaching methods employed.

(3) Daily attendance records.

(4) Graduation statistics.

(5) Student enrollment data, including the following:

(A) The number of students enrolled.

(B) The number of students expelled.

(C) The number of students who discontinued attendance at the charter school and the reasons for the discontinuation.

Sec. 3. The sponsor shall oversee a charter school's compliance with:

(1) the charter; and

(2) all applicable laws.

Sec. 4. Notwithstanding the provisions of the charter, a sponsor that grants a charter may revoke the charter at any time before the expiration of the term of the charter if the sponsor determines that at least one (1) of the following occurs:

(1) The organizer fails to comply with the conditions established in the charter.

(2) The charter school established by the organizer fails to meet the educational goals set forth in the charter.

(3) The organizer fails to comply with all applicable laws.

(4) The organizer fails to meet generally accepted government accounting principles.

(5) One (1) or more grounds for revocation exist as specified in the charter.

Sec. 5. A charter school shall report the following to the sponsor:

(1) Attendance records.

(2) Student performance data.

(3) Financial information.

(4) Any information necessary to comply with state and federal government requirements.

(5) Any other information specified in the charter.

Sec. 6. The organizer of a charter school shall publish an annual performance report that provides the information required under IC 20-1-21-8 in the same manner that a school corporation publishes an annual report under IC 20-1-21.

Chapter 10. Student Transfers From Charter Schools

Sec. 1. A public noncharter school that receives a transfer student from a charter school may not discriminate against the



student in any way, including placing the student:

- (1) in an inappropriate age group according to the student's ability;
- (2) below the student's abilities; or
- (3) in a class where the student has already mastered the subject matter.

Chapter 11. Conversion of Existing Schools Into Charter Schools

Sec. 1. An existing public elementary or secondary school may be converted into a charter school if the following conditions apply:

- (1) At least fifty-one percent (51%) of the teachers at the school have signed a petition requesting the conversion.
- (2) At least fifty-one percent (51%) of the parents of students at the school have signed a petition requesting the conversion.

Sec. 2. If the conditions of section 1 of this chapter are met, the teachers and parents may appoint a committee to act as organizers for the charter school.

Sec. 3. The organizers shall submit a proposal under IC 20-5.5-3 to the governing body of the school corporation in which an existing elementary or secondary school is located to convert the existing school into a charter school.

Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school.

Sec. 5. An existing public school that is converted into a charter school remains subject to an existing collective bargaining agreement unless at least fifty-one percent (51%) of the certificated staff of the school vote to remove the school from the collective bargaining agreement.

SECTION 2. IC 20-6.1-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The board shall designate:

- (1) the grade average required for each kind of license; and
- (2) the kinds of license to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.

(b) The board shall determine details of licensing not provided in this chapter. These details may include requirements regarding:

- (1) the conversion of one kind of license into another;
- (2) the accreditation of teacher training schools and departments;
- (3) the exchange and renewal of licenses;
- (4) the endorsement of another state's license;



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- (5) the acceptance of credentials from teacher training institutions of another state;
- (6) the academic and professional preparation for each kind of license;
- (7) the granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license;
- (8) the issuance of licenses on credentials;
- (9) the kind of license for each school position;
- (10) the size of an elementary school requiring a licensed principal; ~~and~~
- (11) the transition to teaching program established by section 11 of this chapter; and**
- (12) other related matters.**

However, the board shall, not later than December 31, 1984, establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

- (c) The board shall periodically publish bulletins regarding:
 - (1) the details described in subsection (b);
 - (2) information on the kinds of licenses issued;
 - (3) the rules governing the issuance of each kind of license; and
 - (4) other similar matters.

SECTION 3. IC 20-6.1-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. (a) As used in this section, "program" refers to the transition to teaching program established by subsection (b).**

(b) The transition to teaching program is established to accomplish the following:

- (1) Facilitate the transition into the teaching profession of competent professionals in fields other than teaching.**
- (2) Allow competent professionals who do not hold a teaching license to earn and be issued a teaching license through participation in and satisfactory completion of the program.**

(c) Subject to the requirements of this section, the board shall develop and administer the program. The board shall determine the details of the program that are not included in this section.

(d) Each accredited teacher training school and department shall establish a course of study that constitutes the higher education component of the program. The higher education component required under this subsection must comply with the following requirements:

- (1) Include the following study requirements:**
 - (A) For a program participant who seeks to obtain a**



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license to teach in grade 6 through grade 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under subsection (e), unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in the teaching of reading, that prepare a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

(e) A person who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education in the subject area that the person intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the person intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4) point scale; and

(ii) five (5) years of professional experience; in the subject area that the person intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade

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point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years of professional experience in an education-related field.

(f) The board shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:

(A) basic reading, writing, and mathematics;

(B) pedagogy; and

(C) knowledge of the areas in which the program participant is required to have a license to teach;

under section 10.1(a) of this chapter.

(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.

(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program from the administrator of the school where the beginning teacher internship program takes place, upon the recommendation of the participant's teacher mentor, or, if the program participant does not receive a successful assessment, participates in the beginning teacher internship program for a second year, as provided under IC 20-6.1-8-13. The appeals provisions of IC 20-6.1-8-14 apply to an assessment under this subdivision.

(g) This subsection applies to a program participant who has a degree described in subsection (e) that does not include all the content areas of a standard license issued by the board. The board shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

(h) A school corporation may hire a program participant to teach only in the subject area in which the participant meets the



1 qualifications set forth under subsection (e).

2 (i) After receiving an initial standard license under subsections
3 (f) or (g) a program participant who seeks to renew the
4 participant's initial standard license must meet the same
5 requirements as other candidates for license renewal.

6 (j) The board may adopt rules under IC 4-22-2 to administer
7 this section. Rules adopted under this subsection must include a
8 requirement that accredited teacher training schools and
9 departments submit an annual report to the board of the number
10 of individuals who:

11 (1) enroll in; and

12 (2) complete;

13 the program.

14 SECTION 4. IC 20-7.5-1-2 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
16 chapter:

17 (a) "School corporation" means any local public school corporation
18 established under Indiana law and, in the case of public vocational
19 schools or schools for children with disabilities established or
20 maintained by two (2) or more school corporations, shall refer to such
21 schools.

22 (b) "Governing body" ~~shall mean:~~ means:

23 (1) the board or commission charged by law with the
24 responsibility of administering the affairs of the school
25 corporation; or

26 (2) the body that administers a charter school established
27 under IC 20-5.5.

28 (c) "School employer" means:

29 (1) the governing body of each:

30 (A) school corporation; or

31 (B) charter school established under IC 20-5.5; and

32 (2) any person or persons authorized to act for the governing body
33 of the school employer in dealing with its employees.

34 (d) "Superintendent" shall mean:

35 (1) the chief administrative officer of any:

36 (A) school corporation; or

37 (B) charter school established under IC 20-5.5; or

38 (2) any person or persons designated by the officer or by the
39 governing body to act in the officer's behalf in dealing with school
40 employees.

41 (e) "School employee" means any full time certificated person in the
42 employment of the school employer. A school employee shall be

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considered full time even though the employee does not work during school vacation periods, and accordingly works less than a full year. There shall be excluded from the meaning of school employee supervisors, confidential employees, employees performing security work, and noncertificated employees.

(f) "Certificated employee" means a person:

- (1) whose contract with the school corporation requires that ~~he~~ **the person** hold a license or permit from the state board of education or a commission thereof as provided in IC 20-6.1; **or**
- (2) **employed as a teacher by a charter school established under IC 20-5.5.**

(g) "Noncertificated employee" means any school employee whose employment is not dependent upon the holding of a license or permit as provided in IC 20-6.1.

(h) "Supervisor" means any individual who has:

- (1) authority, acting for the school corporation, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline school employees;
- (2) responsibility to direct school employees and adjust their grievances; or
- (3) responsibility to effectively recommend the action described in ~~subsections~~ **subdivisions** (1) through (2);

that is not of a merely routine or clerical nature but requires the use of independent judgment. The term includes superintendents, assistant superintendents, business managers and supervisors, directors with school corporationwide responsibilities, principals and vice principals, and department heads who have responsibility for evaluating teachers.

(i) "Confidential employee" means a school employee whose unrestricted access to confidential personnel files or whose functional responsibilities or knowledge in connection with the issues involved in dealings between the school corporation and its employees would make the confidential employee's membership in a school employee organization incompatible with the employee's official duties.

(j) "Employees performing security work" means any school employee whose primary responsibility is the protection of personal and real property owned or leased by the school corporation or who performs police or quasipolice powers.

(k) "School employee organization" means any organization which has school employees as members and one (1) of whose primary purposes is representing school employees in dealing with their school employer, and includes any person or persons authorized to act on behalf of such organizations.



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(l) "Exclusive representative" means the school employee organization which has been certified for the purposes of this chapter by the board or recognized by a school employer as the exclusive representative of the employees in an appropriate unit as provided in section 10 of this chapter, or the person or persons duly authorized to act on behalf of such representative.

(m) "Board" means the Indiana education employment relations board provided by this chapter.

(n) "Bargain collectively" means the performance of the mutual obligation of the school employer and the exclusive representative to meet at reasonable times to negotiate in good faith with respect to items enumerated in section 4 of this chapter and to execute a written contract incorporating any agreement relating to such matters. Such obligation shall not include the final approval of any contract concerning these or any other items. Agreements reached through collective bargaining are binding as a contract only if ratified by the governing body of the school corporation and the exclusive representative. The obligation to bargain collectively does not require the school employer or the exclusive representative to agree to a proposal of the other or to make a concession to the other.

(o) "Discuss" means the performance of the mutual obligation of the school corporation through its superintendent and the exclusive representative to meet at reasonable times to discuss, to provide meaningful input, to exchange points of view, with respect to items enumerated in section 5 of this chapter. This obligation shall not, however, require either party to enter into a contract, to agree to a proposal, or to require the making of a concession. A failure to reach an agreement on any matter of discussion shall not require the use of any part of the impasse procedure, as provided in section 13 of this chapter. Neither the obligation to bargain collectively nor to discuss any matter shall prevent any school employee from petitioning the school employer, the governing body, or the superintendent for a redress of the employee's grievances either individually or through the exclusive representative, nor shall either such obligation prevent the school employer or the superintendent from conferring with any citizen, taxpayer, student, school employee, or other person considering the operation of the schools and the school corporation.

(p) "Strike" means concerted failure to report for duty, willful absence from one's position, stoppage of work, or abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment, without the lawful approval of the school employer, or in any concerted manner interfering with the operation of the school

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1 employer for any purpose.

2 (q) "Deficit financing" with respect to any budget year shall mean
3 expenditures in excess of money legally available to the employer.

4 SECTION 5. IC 20-10.2-2-3.5 IS ADDED TO THE INDIANA
5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2001]: **Sec. 3.5. "Charter school" refers to a**
7 **public school created and operating under IC 20-5.5.**

8 SECTION 6. IC 20-10.2-3-1.5 IS ADDED TO THE INDIANA
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2001]: **Sec. 1.5. (a) This section applies to a**
11 **charter school.**

12 **(b) A charter entered into under IC 20-5.5-4 may be used as a**
13 **charter school's three (3) year strategic and continuous school**
14 **improvement and achievement plan.**

15 SECTION 7. IC 20-10.2-6-1, AS ADDED BY P.L.221-1999,
16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2001]: Sec. 1. This chapter does not apply to:

18 (1) a nonpublic school; or

19 (2) a charter school.

20 SECTION 8. [EFFECTIVE JULY 1, 2001] (a) There is
21 appropriated to the department of education fifty thousand dollars
22 (\$50,000) from the state general fund in each state fiscal year of the
23 biennium beginning July 1, 2001, and ending June 30, 2003, for its
24 use in carrying out its responsibilities under IC 20-5.5, as added by
25 this act, and to provide advisory assistance to school corporations
26 and charter schools for programs under IC 20-5.5, as added by this
27 act.

28 (b) This SECTION expires June 30, 2003.

29 SECTION 9. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 2102, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 29, after "dissolution" insert ":

(A)".

Page 3, line 30, after "assets" insert ", **except funds specified in clause (B),**".

Page 3, line 31, delete "." and insert "; and

(B) funds received from the sponsor shall be returned to the sponsor not more than thirty (30) days after dissolution."

Page 5, delete lines 39 through 42.

Page 6, delete lines 1 through 37.

Page 7, delete lines 19 through 21.

Page 12, after line 42, begin a new paragraph and insert:

"Sec. 8. A sponsor may request and receive financial reports concerning a charter school from the organizer at any time."

Page 19, delete lines 6 through 42.

Page 20, delete lines 1 through 7.

Page 20, line 8, delete "7." and insert "6."

and when so amended that said bill do pass.

(Reference is to HB 2102 as introduced.)

PORTER, Chair

Committee Vote: yeas 11, nays 2.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred House Bill No. 2102, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana code concerning education and to make an appropriation.

Page 1, between lines 7 and 8, begin a new paragraph and insert:

"Sec. 2. "At-risk index" has the meaning set forth in IC 21-3-1.8-1.1."

Page 1, line 8, delete "2." and insert "3."

Page 1, line 10, delete "3." and insert "4."

Page 1, line 12, delete "4." and insert "5."

Page 1, delete lines 16 through 17.

Page 2, delete line 1.

Page 2, delete lines 6 through 8.

Page 2, line 9, delete "9." and insert "8."

Page 2, line 11, delete "10." and insert "9."

Page 2, line 11, delete "refers to a nonprofit" and insert "**means a**".

Page 2, line 11, after "or" insert "**an**".

Page 2, line 13, delete "11." and insert "**10**".

Page 2, line 13, delete "IC 20-8.1-1-3." and insert "**IC 20-1-1.8-8**".

Page 2, line 14, delete "12." and insert "**11**".

Page 2, line 16, delete "13." and insert "**12**".

Page 2, delete lines 18 through 19.

Page 2, line 20, delete "15." and insert "**13**".

Page 2, line 22, delete "16." and insert "**14**".

Page 2, line 24, delete "17." and insert "**15**".

Page 2, line 24, after "means" insert "**one (1) of**".

Page 2, delete lines 26 through 27, begin a new line block indented and insert:

"(2) A state educational institution (as defined in IC 20-12-0.5-1).

(3) The executive (as defined in IC 36-1-2-5) of a consolidated city.

(4) The executive (as defined in IC 36-1-2-5) of a municipality having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000)."

Page 2, line 28, delete "18." and insert "**16**".

Page 3, line 16, delete "grant a charter only to an" and insert "**not**

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grant a charter to a for profit".

Page 3, line 16, delete "that" and insert ".".

Page 3, delete lines 17 through 34.

Page 3, line 35, delete "may" and insert **"shall"**.

Page 4, line 18, delete "policies" and insert **"policy"**.

Page 4, delete lines 39 through 42, begin a new paragraph and insert:

"Sec. 4. This section applies only to a sponsor that is the executive of a consolidated city or a municipality having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000). Before issuing a charter, the sponsor must receive the approval of a majority of the members of the legislative body (as defined in IC 36-1-2-9) of the consolidated city or municipality for the establishment of a charter school. The sponsor may issue charters for charter schools in any school corporation that is located within the consolidated city or municipality."

Page 5, delete lines 1 through 11.

Page 5, line 15, delete "age" and insert **"ages"**.

Page 5, between lines 26 and 27, begin a new paragraph and insert:

"Sec. 8. A sponsor must notify an organizer who submits a proposal under section 3 of this chapter of:

(1) the acceptance of the proposal; or

(2) the rejection of the proposal;

not later than sixty (60) days after the organizer submits the proposal."

Page 5, line 27, delete "8. (a) The" and insert **"9. (a) A"**.

Page 5, line 32, delete "sponsor" and insert **"governing body"**.

Page 5, line 33, delete "sponsor" and insert **"governing body"**.

Page 5, line 39, delete "9." and insert **"10."**.

Page 5, line 39, after "the" insert **"organizer may:**

(1) amend the charter school proposal and resubmit the proposal to the same sponsor; or

(2) submit a charter school proposal to another sponsor.

Sec. 11. A school that has qualified for a strategic and continuous school improvement and achievement plan under IC 20-1-1-6.3 may revise its qualification plan for submission under this chapter as a charter school proposal."

Page 5, delete lines 40 through 41.

Page 6, line 9, delete "governing" and insert **"sponsor."**.

Page 6, delete line 10.

Page 6, line 30, delete "sponsor." and insert **"organizer."**.

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Page 7, line 15, delete ":" and insert **"Indiana."**

Page 7, delete lines 16 through 20.

Page 7, line 25, delete "(b) and (c)," and insert **"(b), (c), and (d),"**

Page 7, line 33, delete "being admitted." and insert **"admission."**

Page 7, delete lines 41 through 42, begin a new paragraph and insert:

"(d) This subsection applies to an existing school that converts to a charter school under IC 20-5.5-11. During the school year in which the existing school converts to a charter school, the charter school may limit admissions to:

(1) those students who were enrolled in the charter school on the date of the conversion; and

(2) siblings of students described in subdivision (1)."

Page 8, delete lines 1 through 38.

Page 8, delete lines 40 through 42, begin a new paragraph and insert:

"Sec. 1. Individuals who work at a charter school are employees of the charter school or of an entity with which the charter school has contracted to provide services, including instructional services.

Sec. 2. Individuals must choose to be teachers at a charter school voluntarily, and a charter school shall voluntarily choose such individuals to be its teachers.

Sec. 3. Employees of a charter school may organize and bargain collectively under IC 20-7.5.

Sec. 4. (a) An individual who teaches in a charter school must either:

(1) hold a license to teach in a public school in Indiana under IC 20-6.1-3; or

(2) be in the process of obtaining a license to teach in a public school in Indiana under the transition to teaching program set forth in IC 20-6.1-3-11.

(b) An individual described in subsection (a)(2) must complete the transition to teaching program not later than three (3) years after beginning to teach at a charter school.

(c) An individual who provides a service to students in a charter school:

(1) that is not teaching; and

(2) for which a license is required under Indiana law;

must have the appropriate license to provide the service in Indiana.

Sec. 5. A charter school may employ a substitute teacher or an individual who holds a limited license to teach in the same manner in which a noncharter public school may employ a substitute

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teacher or an individual who holds a limited license to teach.

Sec. 6. (a) A charter school shall participate in the following:

- (1) The Indiana state teachers' retirement fund in accordance with IC 21-6.1.
- (2) The public employees' retirement fund in accordance with IC 5-10.3.

(b) A person who teaches in a charter school is a member of the Indiana state teachers' retirement fund. Service in a charter school is creditable service for purposes of IC 21-6.1.

(c) A person who:

- (1) is a local school employee of a charter school; and
- (2) is not eligible to participate in the Indiana state teachers' retirement fund;

is a member of the public employees' retirement fund.

(d) The boards of the Indiana state teachers' retirement fund and the public employees' retirement fund shall implement this section through the organizer of the charter school, subject to and conditioned upon receiving any approvals either board considers appropriate from the Internal Revenue Service and the United States Department of Labor.

Sec. 7. The decision by a sponsor of whether to grant a charter shall not be subject to restraint by the collective bargaining agreement.

Sec. 8. As a school corporation grants a charter to a charter school and individuals choose and are chosen by the charter school to teach in the charter school, the school corporation may make personnel adjustments among its noncharter school teachers that the school corporation believes are necessary or appropriate to match existing resources with existing needs in its noncharter schools. If, as part of such adjustments, the school corporation eliminates a teaching position within the corporation, the legal or contractual provisions, if any, otherwise applicable to the teacher in one (1) of its noncharter schools whose contract with the school corporation is canceled as a result of the elimination of the position within the school corporation, continue to apply to that teacher.

Sec. 9. (a) The governing body:

- (1) must grant a transfer of not more than five (5) years; and
- (2) may grant a transfer for a period of time in addition to the period required under subdivision (1);

to a teacher of a noncharter school in the school corporation who wishes to teach and has been accepted to teach at a charter school sponsored by the governing body within the school corporation.

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(b) During the term of a transfer under subsection (a):

- (1) the teacher's seniority status under law continues as if the teacher were an employee of a noncharter school in the school corporation; and
- (2) the teacher's years as a charter school employee shall not be considered for purposes of permanent or semipermanent status with the school corporation under IC 20-6.1-4.

Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and
- (2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. (a) Not more than thirty (30) days before an organizer begins charter school operations, the department shall make a loan from the common school fund to the organizer in an amount equal to the operating costs of the charter school for the initial six (6) months of the school year in which the charter school will begin operations, as determined by the budget and financial plans submitted to the sponsor. The amount distributed under this subsection shall be:

- (1) treated as the working capital of the organizer; and
- (2) repaid to the department in equal installments, without interest, beginning six (6) months after the charter school begins operations and ending:
 - (A) three (3) years after the charter is granted;
 - (B) on the date set by the department; or
 - (C) when the charter is revoked;
 whichever is the latest.

An installment payment to the department may be deducted from distributions made by the department to the charter school under subsection (d).

(b) Not later than seven (7) days before the date established by the department for reporting student data to the department, the organizer shall submit to a governing body relevant information concerning students enrolled in the charter school who have legal settlement in the governing body's school corporation. The governing body shall:

- (1) submit the information received under this subsection to the department; and



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(2) indicate whether the charter school is entitled to receive additional funding under subsection (d) for any students enrolled in the charter school.

(c) This subsection does not apply to revenues and distributions that, under a law or an agreement with the entity providing funding, must be deposited in any of the following funds:

- (1) Capital projects fund.
- (2) Debt service fund.

A governing body shall distribute to a charter school a distributive share of tax revenues received by the sponsor for noncapital expenditures. The schedule under which distributions are made under this subsection shall be established in the charter.

(d) For money received by a governing body on the basis of a formula that uses a student count, including but not limited to:

- (1) average daily attendance;
- (2) average daily membership;
- (3) average daily membership as adjusted by an at-risk index or other factors;
- (4) additional pupil count;
- (5) eligible pupils;
- (6) number of special education preschool children; or
- (7) any other state funding that a student may be qualified to receive;

the department shall determine the distributive share of a charter school by calculating the amount of funding that would be available under the formula if the student count of the charter school rather than the total student count of the school corporations in which the students have legal settlement were used.

(e) This subsection does not apply to money received by a governing body to facilitate the governing body's compliance with a desegregation order issued by a court. For money:

- (1) that is received by a governing body for participation in a program or delivery of services; and
- (2) that is not reimbursed on the basis of a student count;

the department shall reimburse the charter school for programs or services provided using the program or service reimbursement rate applicable to the program or services.

(f) The organizer shall provide a governing body with the necessary information for the governing body to report to the department to make distributions under this section. The department may adopt guidelines for the implementation of this section in order to assure equivalent funding for students of

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charter schools and school corporations. If a charter school is organized after the date set for the determination of a student count used to make a distribution, the student count of the charter school shall be determined under guidelines established by the department.

Sec. 3. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services. However, when a student who attends a charter school resides along the regular route of a school bus, the governing body shall provide transportation for the student on the school bus:

- (1) from the student's home or some point on the regular route nearest or most easily accessible to the student's home; and**
- (2) to and from the charter school, or to and from the point on the regular route that is nearest or most easily accessible to the charter school.**

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-5.5-1-15(2). A state educational institution shall receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives under section 2 of this chapter.

Sec. 4. An organizer may apply for and accept for a charter school:

- (1) independent financial grants; or**
- (2) funds from public or private sources other than the department.**

Sec. 5. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school."

Delete pages 9 through 11.

Page 12, delete lines 1 through 3.

Page 12, line 16, delete "attending the charter school" and insert **"residing within the school corporation's geographic boundaries."**

Page 12, delete lines 17 through 19.

Page 12, line 20, delete "kindergarten through grade 12."

Page 12, delete lines 22 through 28, begin a new line double block indented and insert:

"(A) charge tuition for a preschool program, unless charging tuition for the preschool program is barred under

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federal law; or

(B) charge tuition for a latch key program;"

Page 12, between lines 29 and 30, begin a new line block indented and insert:

"(3) Except for a foreign exchange student who is not a United States citizen, enroll a pupil who is not a resident of Indiana."

Page 12, line 30, delete "(3)" and insert "(4)".

Page 12, between lines 30 and 31, begin a new line block indented and insert:

"(5) Provide home based instruction."

Page 12, line 40, delete "specifically".

Page 13, between lines 1 and 2, begin a new line block indented and insert:

"(3) A rule or guideline adopted by the professional standards board (established by IC 20-1-1.4-2), except for those rules that assist a teacher in gaining or renewing a standard or an advanced license."

Page 13, line 2, delete "(3)" and insert "(4)".

Page 13, delete lines 9 through 11.

Page 13, line 12, delete "(5)" and insert "(4)".

Page 13, line 13, delete "and federal".

Page 13, delete lines 14 through 21.

Page 13, line 22, delete "(9)" and insert "(5)".

Page 13, line 24, delete "(10)" and insert "(6)".

Page 13, line 25, delete "(11)" and insert "(7)".

Page 13, line 26, delete "(12)" and insert "(8)".

Page 13, line 26, delete "education)." and insert **"school attendance)."**

Page 13, delete lines 27 through 28.

Page 13, line 29, delete "(15)" and insert "(9)".

Page 13, line 31, delete "(16)" and insert **"(10)"**.

Page 13, line 32, delete "(17)" and insert **"(11)"**.

Page 13, line 34, delete "(18)" and insert **"(12)"**.

Page 13, line 36, delete "(19)" and insert **"(13)"**.

Page 13, delete lines 37 through 38, begin a new line block indented and insert:

"(14) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic commemorative observances)."

Page 13, line 39, delete "(21)" and insert **"(15)"**.

Page 14, line 1, delete "(22)" and insert **"(16)"**.

Page 14, line 2, delete "(23)" and insert **"(17)"**.

Page 14, delete lines 4 through 13.

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Page 14, line 34, delete "law." and insert **"laws."**

Page 15, line 31, delete "sixty-seven percent (67%)" and insert **"fifty-one percent (51%)"**.

Page 15, delete lines 35 through 42, begin a new paragraph and insert:

"Sec. 2. If the conditions of section 1 of this chapter are met, the teachers and parents may appoint a committee to act as organizers for the charter school.

Sec. 3. The organizers shall submit a proposal under IC 20-5.5-3 to the governing body of the school corporation in which an existing elementary or secondary school is located to convert the existing school into a charter school.

Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school.

Sec. 5. An existing public school that is converted into a charter school remains subject to an existing collective bargaining agreement unless at least fifty-one percent (51%) of the certificated staff of the school vote to remove the school from the collective bargaining agreement."

Delete pages 16 through 17.

Page 18, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 2. IC 20-6.1-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The board shall designate:

- (1) the grade average required for each kind of license; and
- (2) the kinds of license to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.

(b) The board shall determine details of licensing not provided in this chapter. These details may include requirements regarding:

- (1) the conversion of one kind of license into another;
- (2) the accreditation of teacher training schools and departments;
- (3) the exchange and renewal of licenses;
- (4) the endorsement of another state's license;
- (5) the acceptance of credentials from teacher training institutions of another state;
- (6) the academic and professional preparation for each kind of license;
- (7) the granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license;

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- (8) the issuance of licenses on credentials;
- (9) the kind of license for each school position;
- (10) the size of an elementary school requiring a licensed principal; ~~and~~
- (11) the transition to teaching program established by section 11 of this chapter; and**
- (12) other related matters.**

However, the board shall, not later than December 31, 1984, establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

- (c) The board shall periodically publish bulletins regarding:
 - (1) the details described in subsection (b);
 - (2) information on the kinds of licenses issued;
 - (3) the rules governing the issuance of each kind of license; and
 - (4) other similar matters.

SECTION 3. IC 20-6.1-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. (a) As used in this section, "program" refers to the transition to teaching program established by subsection (b).**

(b) The transition to teaching program is established to accomplish the following:

- (1) Facilitate the transition into the teaching profession of competent professionals in fields other than teaching.**
- (2) Allow competent professionals who do not hold a teaching license to earn and be issued a teaching license through participation in and satisfactory completion of the program.**
- (c) Subject to the requirements of this section, the board shall develop and administer the program. The board shall determine the details of the program that are not included in this section.**
- (d) Each accredited teacher training school and department shall establish a course of study that constitutes the higher education component of the program. The higher education component required under this subsection must comply with the following requirements:**

- (1) Include the following study requirements:**
 - (A) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under subsection (e), unless the program**



participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in the teaching of reading, that prepare a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

(e) A person who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education in the subject area that the person intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the person intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4) point scale; and

(ii) five (5) years of professional experience;

in the subject area that the person intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4.0) point scale; and

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(ii) five (5) years of professional experience in an education-related field.

(f) The board shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:

(A) basic reading, writing, and mathematics;

(B) pedagogy; and

(C) knowledge of the areas in which the program participant is required to have a license to teach;

under section 10.1(a) of this chapter.

(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.

(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program from the administrator of the school where the beginning teacher internship program takes place, upon the recommendation of the participant's teacher mentor, or, if the program participant does not receive a successful assessment, participates in the beginning teacher internship program for a second year, as provided under IC 20-6.1-8-13. The appeals provisions of IC 20-6.1-8-14 apply to an assessment under this subdivision.

(g) This subsection applies to a program participant who has a degree described in subsection (e) that does not include all the content areas of a standard license issued by the board. The board shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

(h) A school corporation may hire a program participant to teach only in the subject area in which the participant meets the qualifications set forth under subsection (e).

(i) After receiving an initial standard license under subsections (f) or (g) a program participant who seeks to renew the participant's initial standard license must meet the same requirements as other candidates for license renewal.

(j) The board may adopt rules under IC 4-22-2 to administer

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this section. Rules adopted under this subsection must include a requirement that accredited teacher training schools and departments submit an annual report to the board of the number of individuals who:

- (1) enroll in; and
- (2) complete;

the program."

Page 19, line 3, after "work" insert ",".

Page 21, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 5. IC 20-10.2-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 3.5. "Charter school" refers to a public school created and operating under IC 20-5.5.**

SECTION 6. IC 20-10.2-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 1.5. (a) This section applies to a charter school.**

(b) A charter entered into under IC 20-5.5-4 may be used as a charter school's three (3) year strategic and continuous school improvement and achievement plan.

SECTION 7. IC 20-10.2-6-1, AS ADDED BY P.L.221-1999, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 1. This chapter does not apply to:**

- (1) a nonpublic school; or**
- (2) a charter school.**

SECTION 8. [EFFECTIVE JULY 1, 2001] **(a) There is appropriated to the department of education fifty thousand dollars (\$50,000) from the state general fund in each state fiscal year of the biennium beginning July 1, 2001, and ending June 30, 2003, for its use in carrying out its responsibilities under IC 20-5.5, as added by this act, and to provide advisory assistance to school corporations and charter schools for programs under IC 20-5.5, as added by this act.**

(b) This SECTION expires June 30, 2003."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 2102 as printed February 15, 2001.)

LUBBERS, Chairperson

Committee Vote: Yeas 6, Nays 5.

EH 2102—LS 7856/DI 71+



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